

Resolution No. 89-120

A Resolution of the City Council of the City of Ridgecrest Establishing the Purchasing System and Providing for the Purchase of Supplies and Equipment.

THE CITY COUNCIL OF THE CITY OF RIDGECREST DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. This Resolution shall be known and may be referred to as the "Purchasing Resolution" of the City of Ridgecrest.

SECTION 2. Adoption of the Purchasing System. In order to establish efficient procedures for the purchase of supplies and equipment, to secure for the City supplies and equipment at the lowest possible cost commensurate with clearly defined authority for the purchasing function and to assure the quality of purchases, a purchasing system is hereby adopted.

SECTION 3. Purchasing Authority. The authority for the purchase and sale of supplies and equipment is vested in the City Administrator. The City Administrator or his designated purchasing official shall have authority to:

- A. Purchase or contract for supplies and equipment in accordance with purchasing procedures as prescribed by this chapter and such other rules and regulations as may be adopted by the City Council.
- B. Negotiate and recommend execution of contracts for the purchase of supplies and equipment and seek the needed quality at the least expense to the City. In doing so, he should discourage collusive bidding and endeavor to obtain as full and open competition as possible on all purchases.
- C. Supervise the inspection of all supplies and equipment purchased to insure conformance with specifications.
- D. Supervise the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency, or which have become unsuitable for city use.

- E. Operate and maintain the storage facilities of the City and such control records as are necessary for the proper inventory of stocks, supplies and equipment.
- F. Advise the City Council of rules and procedures governing the purchase of supplies and equipment for the City. Recommend revisions and amendments to said purchasing rules and procedures.

SECTION 4. Centralized Purchasing Department. There is hereby created a centralized purchasing department in which is vested authority of the purchase of supplies and equipment.

SECTION 5. Requisitions. The using agency shall submit requests for supplies and equipment to the Purchasing Clerk by standard requisition forms. All using agencies shall file detailed estimates of their requirements of supplies and equipment in such a manner, at such time, and for such future periods, as the City Administrator shall prescribe.

SECTION 6. Bidding. Purchases of supplies and equipment and the sale of supplies and equipment may be by bid procedure, and the bidding shall be utilized as a purchase procedure when in the determination of the City Administrator the best interests of the citizens will be served or negotiation will be utilized in those instances when, in the opinion of the City Administrator, the best value to the citizens can be obtained by that procedure. When the amounts involved are more than \$5,000 and whether bidding procedure is used or not, all such purchases, contracts and sale of personal property shall be subject to approval of the City Council.

SECTION 7. Purchase Orders. The purchase of supplies and equipment shall be made by purchase orders. The Purchasing Clerk, with written approval of the City Administrator, may authorize in writing any agency to purchase or contract for specified supplies and equipment independently of the purchasing department. Such purchases or contracts shall be made in conformity with the procedures established by this chapter and periodic reports from the agency to the purchasing department on the purchases and contracts shall be required.

SECTION 8. Encumbrance of Funds. Except in cases of emergency, the City Administrator or his designated purchasing official shall not issue any purchase order for supplies or equipment unless there exists an unencumbered appropriation in the fund account against which said purchase is to be charged.

SECTION 9. Purchases Under \$1,000. The City Administrator may authorize the purchase of supplies and equipment without following a negotiated purchase procedure and based on a single quote.

SECTION 10. Purchases under \$10,000. Except as otherwise provided in this Resolution, purchase of supplies and equipment of an estimated value in the sum of \$10,000 or less may be made by the City Administrator in the open market pursuant to the negotiated purchase procedures described; provided that all purchases in excess of \$5,000 shall be subject to City Council approval; as follows:

A. Negotiated Purchase:

- (1) Negotiated purchases shall, whenever possible, be based on at least three competitive quotes, and shall be awarded to the lowest responsible, responsive quotation. If the Department head determines that the lowest cost quotation is not responsive, a justification shall be attached to the purchase order in support of the decision.
- (2) Quotes may be solicited by telephone and telegram, by written request, through printed catalogs, and by public notice posted on a public bulletin board in the City Hall.
- (3) A record of the three quotations used in each negotiated purchase if available shall be documented on the back of the purchase order authorizing the purchase.

SECTION 11. Purchases Over \$10,000. Except as otherwise provided herein, purchase of supplies and equipment of an estimated value greater than \$10,000 shall be an open, competitive bidding procedure as described below:

A. Competitive Bidding:

- (1) Notice inviting bids or proposals shall include a general description of the articles to be purchased, shall state where bid plans and specifications may be secured if such are available, and the time and place for opening of bids. The notice shall be published at least once in a newspaper of general circulation, printed and published in the City at least ten days before the date of opening of the bids, which opening date,

time and place shall be specified in said notice. Sealed bids shall be solicited from all responsible prospective suppliers whose names are on the bidders list or who have requested in writing that their names be added thereto.

- (2) When deemed necessary by the purchasing official, bidder's security may be prescribed in the public notices inviting bids. Bidders shall be entitled to return of bid security, provided that the successful bidder shall forfeit the bid security upon refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the City is responsible for the delay.

The City Council may, on refusal of the successful bidder to execute the contract, award the contract to the next responsive bidder. The amount of the successful bidder's security shall be applied by the City to the difference between the first bid and the second bid, and the surplus, if any, shall be returned to the first bidder.

- (3) Sealed written bids shall be submitted to the purchasing official and shall be identified as "BIDS" on the envelope. Bids shall be opened in public at the time and place stated in the public notice. Bids received after the appointed hour for opening will be returned unopened to the sender. At its discretion, the Council may reject any and all bids presented and authorized the Purchasing Department to pursue a negotiated bid. The City Council is not limited to awarding the bid based solely on lower cost, but may take into account responsiveness to specifications, ability to render post-purchase service, and the life cycle cost of the equipment, etc. If no bids are received, the City may make the purchase without further complying with the bidding requirements of the chapter.

- B. Tie Bids. If two or more bids received are the lowest and for the same total amount of unit price, quality and service being equal, and if the public interest will not permit the delay of re-advertising for bids, the City Council, in its discretion, may accept the one it chooses or accept the lowest bid made by and after City's negotiation with the tie bidders.

- C. No Bids. If no bids are received, the City Council may make the purchase without further complying with the bidding requirements of this chapter.
- D. Performance Bonds. The City Council, before entering a purchase contract, shall have the authority to require a performance bond and a labor and material bond in such amounts as it shall find reasonably necessary to protect the best interests of the City as required by law and the amounts of such bonds shall be described in the Notice Inviting Bids.

SECTION 12. Inspection and Testing. The City Administrator or his designated official shall be responsible for the inspection of said ordered supplies and equipment upon delivery to determine their conformance with the specifications as set forth in the order or the contract. The City Administrator or his designated officials shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with the specifications. Samples of items, when required, shall be furnished free of expense to the City and, if not destroyed by tests, will upon request be returned at the bidder's expense.

SECTION 13. Surplus Supplies and Equipment.

- A. All using agencies shall submit to the City Administrator, at such times and in such form as he shall prescribe, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out.
- B. The City Administrator shall have authority to sell all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use, or to exchange the same for, or trade in the same on, new supplies and equipment. Such sale shall be made in accordance with Sections 9 and 10 hereof, whichever is applicable with the exception that the sale be made to the highest responsible quotation/bid.

SECTION 14. Exemption. This ordinance does not apply where the Council has contracted for and by resolution transferred the authority to make the purchase of supplies and equipment to another governmental agency or officer.

SECTION 15. Cooperative Purchasing. Purchases of supplies or equipment and sales or disposition of City property may be made under a Cooperative Purchasing Program with a County or State

and/or Federal Government, subject to prior Council approval by resolution, without City being required to observe the procedures prescribed in this chapter.

SECTION 16. Severability. If any section, subsection, subdivision sentence, clause or phrase of this resolution is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the validity of the entire ordinance of any of the remaining portions thereof. The Council hereby declares that it would have passed this resolution and each section, subsection, subdivision sentence, clause and phrase hereof irrespective of the fact that one or more sections, subsections, subdivision sentences, clause or phrases be declared unconstitutional or otherwise invalid.

APPROVED AND ADOPTED this 15th day of November, 1989, by the following vote:

AYES: Mayor Mower, Councilmembers Bergens, Condos, Corlett and Lilly.

NOES: None.

ABSTAIN: None.

ABSENT: None.



Michael R. Mower, Mayor

ATTEST:



Joyce M. Taft, City Clerk